

JUN 19 1958

Approved For Release 2000/05/24 : CIA-RDP75-00149

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## ONASSIS SHIP WORK GOES ON

### Tanker Building Reported Despite Cancellation Suit

By HELEN DELICH

Washington, June 18—Construction of three tankers for interests of the A. S. Onassis family—whom the Department of Justice is suing in a multi-million-dollar suit for a reported contract cancellation of same—is continuing on a regular schedule, the House Merchant Marine and Fisheries Committee learned today.

Capt. Granville Conway, president of Victory Carriers, Inc., an Onassis subsidiary, testified that a letter reporting the cancellation to the Maritime Administration had been sent simply to get a hearing before the House committee on the entire project.

He declared that the company had to be relieved of the burden of building a 106,500-dead-weight ton tanker now, but would finish the two 46,000-ton vessels on schedule. Otherwise, he said, the firm faced the possibility of going broke if all three tankers had to be completed as originally contracted for.

#### Conditions Cited

Should this happen, Captain Conway declared, the Government could end up with all the ships in its hands and the company would be disabled.

He explained that economic conditions are considerably different now than they were when the contracts were negotiated between the Department of Justice and the trust for the Onassis children. Today's oil import restrictions into the United States prevent any possible use of the 106,500-ton ship in the immediate future, he said. Therefore, he requested that permission be granted for a deferment of the construction or cancellations.

Major oil importing companies have had to cut down on the use of their own ships as well as on chartered tonnage because of new Government restrictions, Captain Conway said.

In a letter to the Maritime Administration, dated April 15, the Onassis interests pointed out that the tankers under construction at the Bethlehem Steel Company's Quincy (Mass.) Shipyard were not in a position to earn dollars to pay for their construction and operation due to the curtailment of oil imports to the United States, "a necessity which has been frustrated by the Government.

#### \$8,000,000 Suit Filed

"As a consequence, much to our regret, we have no alternative but to notify you that we are compelled to cancel the building program contemplated by contract . . . and are leaving the ultimate determination by the courts consequences as may result therefrom."

The Justice Department last week filed suit for \$8,000,000 in damages and demanded the return to the Government of fourteen tankers and Liberty ships which had been transferred to foreign registry with the understanding the new American-flag ships would take their place.

All the ships were to be placed in the name of a trust fund handled by the Grace National Bank for the Onassis American-born children. A company in which he is interested is said to have 25 per cent stock in the trust company.

Mr. Onassis himself will take the witness stand tomorrow.

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